



Setti D. Warren  
Mayor

Newton, Massachusetts  
**AFFORDABLE HOUSING PROPOSAL FORM FY15 or FY16**

☒

PRE-PROPOSAL

☐

PROPOSAL

(For staff use)  
date rec'd:

Pre-proposal  
rec'd 21  
December  
2015

<b>Project TITLE</b>	<b>Cherry Street Affordable Housing</b>										
<b>Project LOCATION</b>	Full street address (with zip code), or other precise location. 424-432 Cherry Street, West Newton, MA 02465										
<b>Project CONTACT</b>											
Name & title			Email			Phone			Mailing address		
Josephine McNeil, Executive Director, CAN-DO			Jam_cando@msn.com			617-964-3527			1075 Washington Street West Newton, MA 02465		
<b>Sponsoring Org.</b> (check all that apply)		Non-profit	✓	Certified CHDO	✓	Public Agency		Project LLC		Private for-profit	
<b>Project FUNDING</b>		<b>Newton CDBG/HOME/CPA funds:</b> \$3,000,000.00				Total other funds: \$3,105,661.00			Total project cost: \$6,105,661.00		
<b>Project SUMMARY &amp; NEEDS</b>		See detailed instructions, but please cover location, rehab vs. new construction, rental vs. ownership, target population, unit composition, and needs identified in community-wide plans.									
<p>This project is the acquisition and renovation of an historic building on a lot of 14, 209 square feet. This building which is currently being used as offices for a financial management business will be retrofitted to create 9 efficiency residential units to provide housing for chronically homeless individuals. It will include a common kitchen with group eating /meeting area. There will be an office and a room to provide sleeping for overnight staff. The exterior of the building will not be altered, with the possible exception of making changes at the rear to accommodate access for one wheelchair accessible unit. Three additional units of housing, detached from the existing house, will be constructed on the site. The houses will be attached modular units. Each unit will be 1150-1200 sq. feet in size with 3 bedroom, a kitchen with a great room and 1 and ½ bathrooms.</p> <p>All 12 of the units will be rental and serve homeless individual and/or families.</p> <p>The need for housing for homeless individuals and families is identified as a priority in the Consolidated Plan.</p>											

**SOURCES OF FUNDS** *Check all that apply and identify if funds are committed or proposed.*

CDBG funds	\$	Other (identify sources)	
HOME funds	\$	State tax credits	\$6,105,661.00
CPA funds	\$3,000,000		\$
Private bank loan	\$		\$

**USES OF FUNDS** *Check all that apply.*

Acquisition	Rehabilitation	New construction	Mortgage buydown
Categories below apply only to CPA funds -- please consult staff. Creation ✓			Site preparation/ remediation

**TARGET POPULATION & SPECIAL FEATURES** *Check all that apply.*

Individual/Family ✓	Homeless/At Risk of Homelessness ✓
Special needs/disabilities (identify population & provider of support services, if any): Chronically homeless individuals and homeless families. For families CAN-DO will provide the supportive services. For individuals we are in discussion with Pine Street Inn.	
Special features (historic preservation, sustainability, etc.): Existinf house is listed on the National Historic Register.	

**TYPE OF HOUSING** *Check all that apply.*

Rental ✓	Combination or other (identify): Three units for families and none units for individuals living in a congregate setting.
Individual/single family ✓	
Group residence/congregate ✓	

**UNIT COMPOSITION** *List the development's number of units in each category.*

	Total	≤ 30% AMI	≤ 50% AMI	≤ 80% AMI	80-100% AMI	Market-rate
Studio	9	9				
2 BR						
3 BR	3		3			

**OUTREACH** *Summarize efforts to date to communicate with abutters, neighborhood residents & ward aldermen.*

Outreach efforts have been limited to one board alderman.

ATTACHMENTS CHECKLIST		
Required	Check if included	Review full instructions thoroughly with staff prior to submission. Pre-proposals need only the attachments highlighted in yellow below.
always		<b>A1. PHOTOS</b> site conditions & surroundings (2-3 photos may be enough for pre-proposal)
		<b>A2. MAP</b> of site in relation to nearest major roads, schools, shopping, transit, etc.
		<b>A3. TIMELINE</b> including financing, permitting, construction & occupancy
B. SITE CONTROL & PROJECT FINANCES		
always	X	<b>Legally binding option, purchase &amp; sale agreement or deed</b>
		<b>Developer commitment to pursue permanent affordability</b>
		<b>Appraisal</b> by an independent, certified real estate appraiser
		<b>Development pro forma</b> (pre-proposals need only a short draft)
		<b>Scope of construction work</b> , supported by professional cost estimates
		<b>Non-Newton funding</b> : sources, commitment letters or application/decision schedules
		<b>Market analysis</b> : including prevailing/trending rents or prices & target population
as needed		<b>Home inspection report</b> by a licensed professional, for rehabilitation projects
rental only		<b>Budget for temporary or permanent relocation</b> , if there are existing tenants
		<b>10-year operating budget</b> (pre-proposals need only a short draft)
		<b>Rental subsidy, if any</b> : sources, commitment letters or application/decision schedules
C. DESIGN & CONSTRUCTION		
always		<b>Materials &amp; finishes</b> ; highlight “green” or sustainable features or proposed certification
		<b>Detailed site &amp; floor plans, elevations</b> for major rehabilitation and all new construction
D. RELOCATION, FAIR HOUSING & ACCESSIBILITY		
always		<b>Affirmative marketing &amp; resident selection plan</b>
		<b>Reasonable accommodation/reasonable modification policy</b>
		<b>Architectural access worksheet</b> : complete for applicable requirements & proposed features
E. SITE REVIEW, ZONING & PERMITTING		
always		<b>Brief property history</b> , covering at least the previous 30 years of ownership & use
		<b>Environmental mitigation plan</b> , including lead paint, asbestos, underground tanks
		Confirmation of review by <b>Development Review Team</b> (DRT) and <b>zoning relief / permits required</b> (such as parking, building, demolition, comprehensive or special permit)
		<b>Other approvals required</b> : Newton Conservation or Historical Commission, Commission on Disability, Mass. Historical Commission, Mass. Architectural Access Board, etc.
F. DEVELOPER CAPACITY & QUALIFICATIONS		
always		<b>Organization mission &amp; current housing portfolio</b> , including how this project fits both
		<b>Previous similar projects completed</b> , with photographs
		<b>Resumes for development team</b> , including affiliations with City boards or commissions
		<b>Most recent audited annual financial statement of parent company or organization</b>
		<b>Fair housing training completed</b>
		<b>Any past fair housing complaints &amp; their resolution</b>
nonprofits		<b>Most recent annual operating budget</b>
		<b>Board of directors</b> : including skills, experience, tenure & affiliations
always		<b>G. LETTERS or PETITIONS of SUPPORT</b> , if available

<b>ARCHITECTURAL ACCESS WORKSHEET</b>	
Use this table to show how the proposed project will meet or exceed the most stringent applicable requirements.	
<b>REQUIRED</b>	<b>PROPOSED</b>
<b>1. Site access – accessible route</b>	
<b>2. Accessible parking (identify proposed total # of spaces)</b>	
<b>3. Building entrances &amp; accessible routes within buildings</b>	
<b>4. Common areas &amp; facilities (offices, laundry rooms, community rooms, etc.)</b>	
<b>5. Group 1 Units (MAAB) (include units covered by the FHA)</b>	
<b>6. Group 2 Units (MAAB)</b>	

## CHERRY STREET TIMELINE

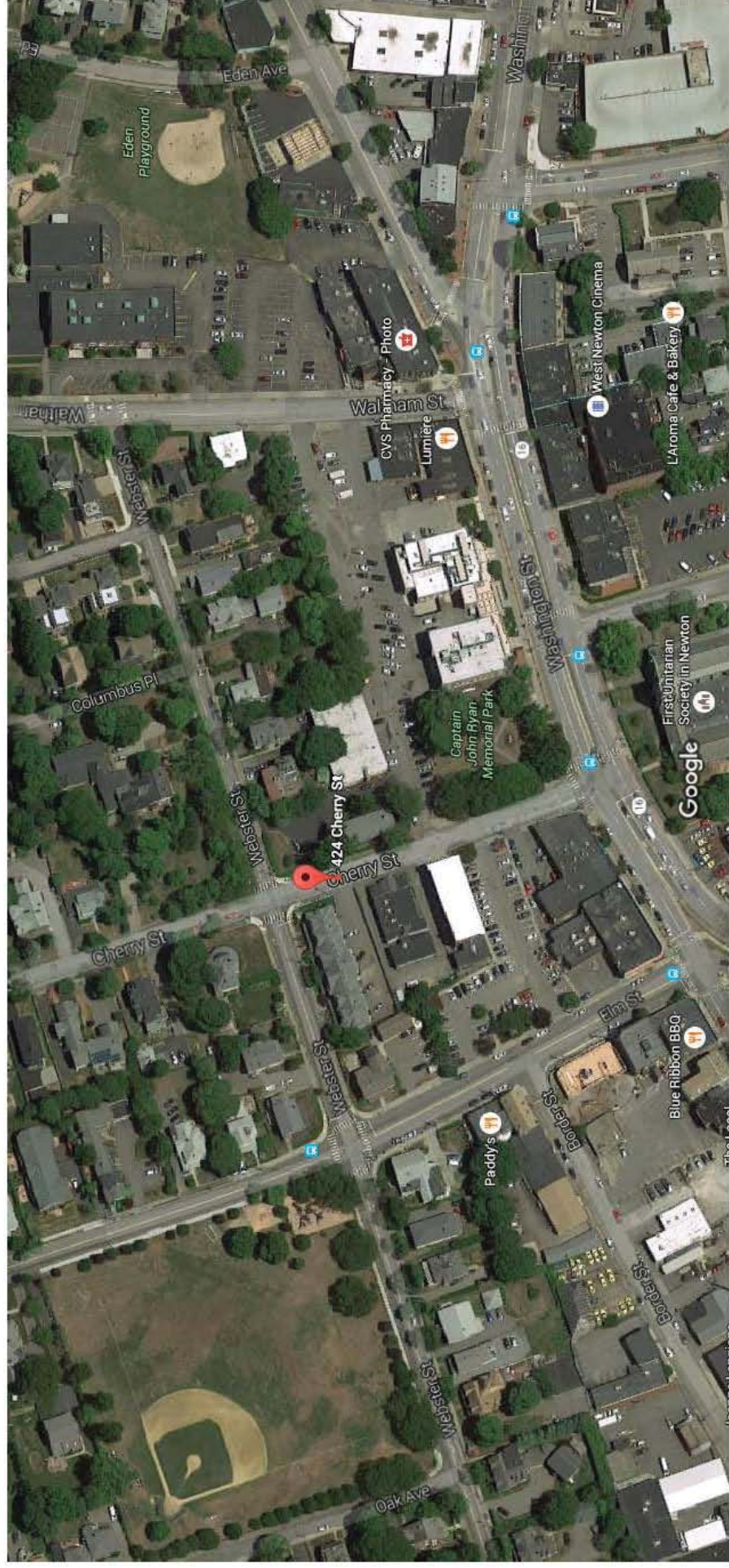
Purchase and Sale Agreement	December 17, 2015
Pre-Application to DHCD NOFA	December 17, 2015
Newton Housing Partnership	January 2016
CPA Application	January 2016

**CPC staff note:** An advisory discussion of the pre-proposal is scheduled for the Newton CPC meeting on 14 January 2016. The CPC bases all funding recommendations only on full proposals, and requires a public hearing for each proposal. If, based on discussion of the pre-proposal, the CPC agrees to consider a full proposal for this project ahead of its the fall 2016 regular funding round, the full proposal will be due 1 month before the requested CPC public hearing date.

ZBA 40B Application	February 2016
CPA Hearing and Decision	February 2016
40B Comp Permit Hearing	March 2016
Response to DHCD NOFA	March 2016
ZBA 40B Decision	April 2016
City Councilor's CPA Decision	April 2016
ZBA 40B Decision Filed	May 2016
Acquisition	June 2016
DHCD Decision	September 2016
Construction Begins	November 2016
Construction Completion	October 2017
Occupancy	December 2017



Google Maps 424 Cherry St



Imagery ©2015 Google, Map data ©2015 Google 100 ft

Maps supplied by CPC staff.



## City of Newton

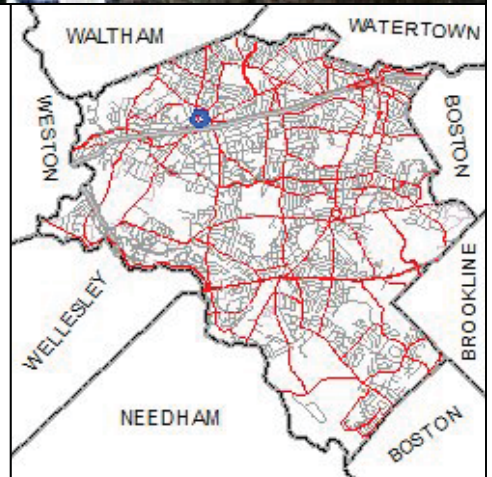


**Property ID:** 33011 0002  
**Address:** 424-432 CHERRY ST  
**Owner:** CRM MANAGEMENT LLC



MAP FOR REFERENCE ONLY  
NOT A LEGAL DOCUMENT

Because of different update schedules, current property assessments may not reflect recent changes to property boundaries. Check with the Assessors' Office to confirm boundaries uses at the time of assessment.





## City of Newton

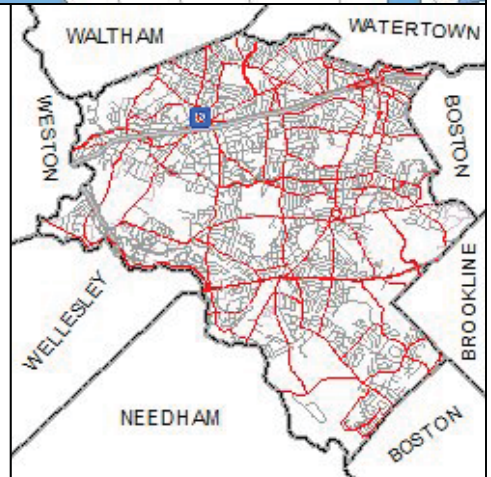


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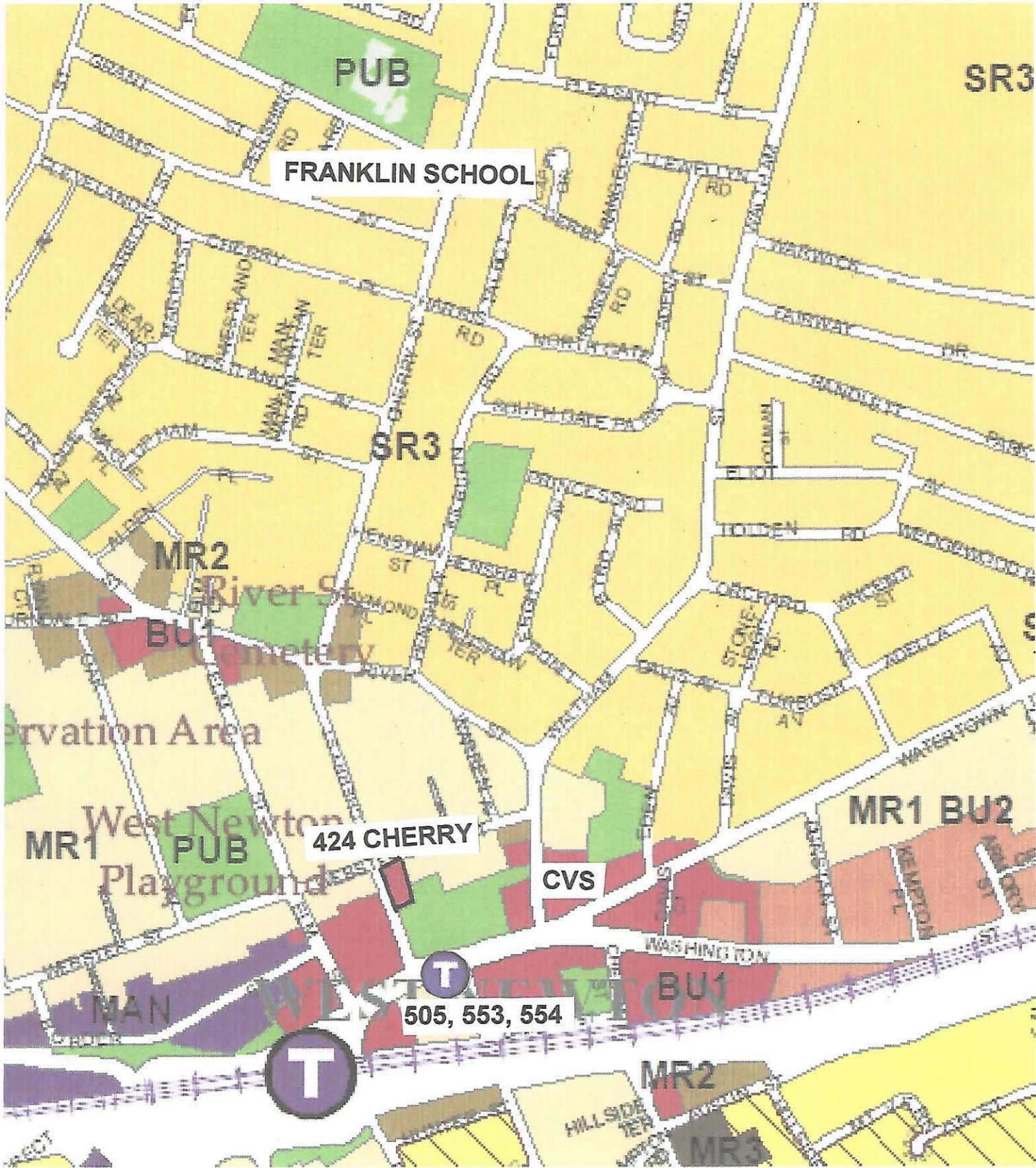


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For CAN-DO Pre-Proposal to Newton CPC						Rec'd by CPC staff 21 Decem
<b>CHERRY STREET - 12 units</b>						<b>CPC staff annotations</b>
ITEM						
<u>DEVELOPMENT BUDGET</u>						
ACQUISITION COSTS:						
LAND			\$ 1,000,000			
BUILDING			\$ 1,500,000			
<b>SUBTOTAL - ACQUISITION COST</b>			<b>\$ 2,500,000</b>			
<u>CONSTRUCTION COSTS:</u>						
Existing Building - Renovation			\$ 1,010,600			
New Construction			\$ 1,100,000			
Total construction			\$ 2,110,600			
Construction Contingency	10%		\$ 211,060	10.0%	construction contingency as share of all construction costs except contingency	
<b>TOTAL: CONSTRUCTION</b>			<b>\$ 2,321,660</b>			
<u>GENERAL DEVELOPMENT/SOFT COSTS</u>						
Architecture & Engineering/surveys			\$ 155,908			
Permits= 18.60 PER \$1000			\$ 39,265			
Consultants			\$ 75,000			
Soil testing			\$ 20,000			
Environmental - Phase I			\$ 10,000			
Legal			\$ 65,000			
Title and Recording			\$ 25,000			
Market Study			\$ 5,000			
Real Estate Taxes	24 months		\$ 24,000			
Liabilty/Property Insurance			\$ 35,000			
Builder's Risk insurance			\$ 25,000			
Appraisal			\$ 5,000			
Loan Interest	12 mos		\$ 30,000			
Bond Financing and Fees			\$ 120,000			
<b>Subtotal soft costs</b>			<b>\$ 634,173</b>			
Soft Cost Contingency			\$ 63,417			
<b>Total Soft Costs</b>			<b>\$ 697,590</b>	11.4%	soft costs as share of all project costs	
<b>TOTAL ACQUISITON, CONSTRUCTION &amp; SOFT COSTS</b>			<b>\$ 5,519,250</b>			
<b>Devloper Overhead/Fee</b>			<b>\$ 576,411</b>	10.4%	project costs except developer fee	
<b>Fund Replacement Reserve</b>			<b>\$ 10,000</b>			
<b>Total Development Cost</b>			<b>\$ 6,105,661</b>			
<b>FUNDING SOURCES:</b>			<b>\$ -</b>			
<b>CPA</b>			<b>\$ 3,000,000</b>			
State Tax Credits			\$ 1,200,000			
4% Federal Tax Credits			\$ 1,905,661			
<b>TOTAL SOURCES</b>			<b>\$ 6,105,661</b>			

Property SBL 33011 0002  
 Property Address 424-432 CHERRY ST  
 Land Use \* 340  
 Land Use Descr \* GENERAL OFFICE BLDG.

Tax Bill Number 2605865  
 Zoning \*\* BU1  
 Map ID 028SE  
 Neighborhood 5

Sale Date 2/1/2002  
 Sale Price \$1,000,000  
 Legal Reference 034835/0240  
 Current Owner  
 CRM MANAGEMENT LLC

Prior Sale Date  
 Prior Sale Price  
 Prior Legal Reference  
 Prior Owner

432 CHERRY ST  
 NEWTON, MA 02465

#### Commercial Information

Style Office Bldg  
 Story Height 2.5  
 Year Built 1716  
 Recent Field Visit 6/17/2014  
 Prior Field Visit 8/8/2013

Assessors' Database information  
 supplied by CPC staff.

#### Commercial Information

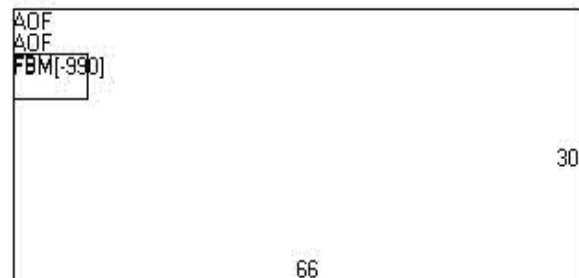
Gross Bldg Area 4,950 sq ft  
 Effective Area 4,950 sq ft  
 Bldg Area 3,960 sq ft  
 Total Apartments 0

#### Assessment History

FY 2016	\$1,016,800
FY 2015	\$1,016,800
FY 2014	\$953,800
FY 2013	\$953,800
FY 2012	\$953,800
FY 2011	\$1,082,300
FY 2010	\$1,082,300
FY 2009	\$1,082,300
FY 2008	\$1,082,300
FY 2007	\$1,072,800
FY 2006	\$1,034,000
FY 2005	\$980,000
FY 2004	\$1,300,600
FY 2003	\$836,600
FY 2002	\$686,600
FY 2001	\$483,100
FY 2000	\$483,100
FY 1999	\$469,000

#### Land Information

Lot Size 14,199 sq ft  
 Frontage 80 ft  
 Zoning BU1



\* The land use and description listed here are for Assessing Department purposes based on historical records in the Assessing Department.

For an official ruling on the legal use of the property pursuant to the state building code and/or Newton Zoning Ordinances, contact the Inspectional Services Department.

\*\* For reference purposes only. Please check with Engineering Department for official zoning designation.

CHERRY STREET Operating Budget									
INCOME:		MONTHLY	ANNUAL					2024	2025
3 BR HIGH HOME (3)		\$ 3,300.00	\$ 39,600	1436-336					
Efficiencies (9)		\$ 11,241.00	\$ 134,892	inc. utilities					
			\$ 174,492						
Vacancy rate - 5%			\$ 17,449						
<b>ANNUAL INCOME</b>			<b>\$ 157,043</b>						
<b>EXPENSES</b>									
<b>Administrative:</b>									
Mgmt Fee @ .08% of income			\$ 12,563						
Legal			\$ 1,000						
Audit			\$ 1,000						
<b>TOTAL ADMINISTRATIVE</b>			<b>\$ 14,563</b>						
<b>Maintenance:</b>									
Extermination			\$ 800						
Landscaping/Snow Removal			\$ 1,500						
Decorating/Repairs			\$ 5,000						
<b>TOTAL MAINTENANCE</b>			<b>\$ 7,300</b>						
<b>Utilities:</b>									
Gas/Electric			\$ 8,000						
Water/Sewer			\$ 2,400						
<b>TOTAL UTILITIES</b>			<b>\$ 10,400</b>						
<b>Other costs:</b>									
Insurance			\$ 10,000						
Taxes			\$ 10,000						
Replacement Reserve			\$ 6,000						
Supportive Services			\$ 90,000						
<b>TOTAL OTHER COSTS</b>			<b>\$ 116,000</b>						
<b>TOTAL OPERATING COSTS</b>			<b>\$ 148,263</b>						
<b>NET OPERATING INCOME</b>			<b>\$ 8,779</b>						



## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "**Agreement**"), dated as of this 17<sup>th</sup> day of December, 2015 (the "**Effective Date**"), is made by and between CRM MANAGEMENT, LLC, a Massachusetts limited liability company ("**Seller**"), and CAN-DO Citizens For Affordable Housing in Newton Development Organization, Inc. (CAN-DO), a Massachusetts not-for-profit corporation ("**Purchaser**").

### RECITALS:

Seller desires to sell certain improved real property located at 424-432 Cherry Street, West Newton, Massachusetts along with certain related personal and intangible property, and Purchaser desires to purchase such real, personal and intangible property.

NOW, THEREFORE, in consideration of the foregoing, of the covenants, promises and undertakings set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

#### 1. The Property.

1.1 Description. Subject to the terms and conditions of this Agreement, and for the consideration herein set forth, Seller agrees to sell and transfer, and Purchaser agrees to purchase and acquire, all of Seller's right, title, and interest in and to the following (collectively, the "**Property**"):

1.1.1 Certain land (the "**Land**") located at 432 Cherry Street, West Newton, Massachusetts and more specifically described in Exhibit 1.1.1 attached hereto;

1.1.2 The buildings, parking areas, improvements, and fixtures now situated on the Land (the "**Improvements**");

1.1.3 All furniture, personal property, machinery, apparatus, and equipment owned by Seller and currently used in the operation, repair and maintenance of the Land and Improvements and situated thereon (collectively, the "**Personal Property**"), and generally described on Exhibit 1.1.3 attached hereto.

1.1.4 All easements, hereditaments, and appurtenances belonging to or inuring to the benefit of Seller and pertaining to the Land, if any;

1.1.5 All of Seller's assignable and transferable right, title and interest, if any, in and to the land in, under and to any Land in any street or road abutting the Land to the center lines thereof to the extent not a public way;

1.1.6 Subject to Section 3.3, all of Seller's assignable and transferable

right, title and interest in and to all Service Contracts (as hereinafter defined) and agreements relating to the operation or maintenance of the Land, Improvements or Personal Property the terms of which extend beyond midnight of the day preceding the Closing Date (as hereinafter defined); and

1.1.7 To the extent assignable and transferable, all intangible property, if any, of Seller relating to the Land and the Improvements, including, without limitation any permits (the "**Intangible Property**")".

1.2 **"As-Is" Purchase.** The Property is being sold in an "AS IS, WHERE IS" condition and "WITH ALL FAULTS" as of the date of this Agreement and of Closing. Except as expressly set forth in this Agreement, no representations or warranties have been made or are made and no responsibility has been or is assumed by Seller or by any partner, officer, person, firm, agent, attorney or representative acting or purporting to act on behalf of Seller as to (i) the condition or state of repair of the Property; (ii) the compliance or non-compliance of the Property with any applicable laws, regulations or ordinances (including, without limitation, any applicable zoning, building or development codes); (iii) the value, expense of operation, or income potential of the Property; (iv) any other fact or condition which has or might affect the Property or the condition, state of repair, compliance, value, expense of operation or income potential of the Property or any portion thereof; (v) whether the Property contains asbestos, mold, fungus or harmful or toxic substances or pertaining to the extent, location or nature of same; or (vi) any other matter related in any way to the Property. Without limiting the generality of this Section 1.2, Purchaser acknowledges that, by the Approval Date, Purchaser will have had sufficient opportunity (a) to inspect the Property fully and completely at its expense in order to ascertain to its satisfaction the extent to which the Property complies with applicable zoning, building, environmental, health and safety and all other laws, codes and regulations, and (b) to review Service Contracts, expenses, and other matters relating to the Property in order to determine, based upon its own investigations, inspections, tests and studies, whether to purchase the Property and to assume Seller's obligations under Service Contracts and otherwise with respect to the Property. The parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Agreement and the Exhibits annexed hereto, which alone fully and completely express their agreement, and that this Agreement has been entered into after full investigation, or with the parties satisfied with the opportunity afforded for full investigation, neither party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in this Agreement or the Exhibits annexed hereto.

Purchaser waives its right to recover from, and forever releases and discharges Seller, Seller's affiliates, Seller's investment advisor and manager, the partners, trustees, shareholders, directors, officers, attorneys, employees and agents of each of them, and their respective heirs, successors, personal representatives and assigns (collectively, the "**Releasees**") from any and all demands, claims (including, without limitation, causes of action in tort), legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen (collectively, "**Claims**"), that may arise on account of or in any way be connected with the Property, the physical condition thereof, or any law or regulation applicable thereto including, without limitation, claims under the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C.

9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. 1801 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Federal Clean Water Act (33 U.S.C. Section 1251 et seq.), the Federal Clean Air Act (42 U.S.C. 7401 et seq.), the Massachusetts Oil and Hazardous Materials Release, Prevention and Response Act, G.L. c.21E et seq.; the Massachusetts Hazardous Waste Management Act, G.L. c.21C et seq.; the Massachusetts Wetlands Protection Act, G.L. c.131, 40 et seq.; the Massachusetts Clean Waters Act, G.L. c.21, 26-53 et seq.; the Massachusetts Clean Air Act, G.L. c.111, 142 et seq.; and the Massachusetts Contingency Plan, 310 CMR 40.0001 et seq., each as the same may be amended from time to time ("**Environmental Laws**"). Without limiting the foregoing, Purchaser, upon Closing, shall be deemed to have waived, relinquished and released Seller and all other Releasees from any and all Claims, matters arising out of latent or patent defects or physical conditions, violations of applicable laws (including, without limitation, any Environmental Laws) and any and all other acts, omissions, events, circumstances or matters affecting the Property. As part of the provisions of this Section 1.2, but not as a limitation thereon, Purchaser hereby agrees, represents and warrants that the matters released herein are not limited to matters which are known or disclosed, and Purchaser hereby waives any and all rights and benefits which it now has with respect to Seller, or in the future may have conferred upon it, by virtue of the provisions of federal, state or local law, rules and regulations. Purchaser agrees that should any cleanup, remediation or removal of hazardous substances or other environmental conditions on or about the Property be required after the date of Closing, such clean-up, removal or remediation shall not be the responsibility of Seller.

1.3 Agreement to Convey. Seller agrees to convey, and Purchaser agrees to accept, title to the Land and Improvements by Massachusetts statutory form of Quitclaim Deed (the "**Deed**") in the condition described in Section 3.4 and title to the Personal Property and Intangible Property, by Bill of Sale and Assignment and Assumption Agreement, without warranty as to the title or the condition of such personalty comprising the Personal Property or title to the intangible property.

## 2. Price and Payment.

2.1 Purchase Price. The purchase price for the Property (the "**Purchase Price**") is Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00)

2.2 Payment. Payment of the Purchase Price is to be made in cash as follows:

Remainder of Purchase & Sale agreement not posted on Newton CPC website with pre-proposal, pending clarification by City of Newton Law Dept. of legal status of the agreement's confidentiality requirements vs. Massachusetts public meetings and public records law.

2.2.2 The Deposit will be placed with and held in escrow by **[INSERT PURCHASER'S TITLE COMPANY]** Title Insurance Company, Attention: \_\_\_\_\_ (the "**Title Company**"), in immediately available funds in an interest-bearing account at a mutually acceptable banking institution. Any